

Message Text

PAGE 01 STATE 226566 TOSEC 270048

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E.O. 11652: GDS

TAGS: PFOR

SUBJECT: DAILY ACTIVITY REPORTS, MONDAY, SEPTEMBER 13, 1976

1. FOLLOWING ARE THE DAILY ACTIVITY REPORTS FROM THE BUREAUS. EUR AND PM DID NOT SUBMIT REPORTS.

EA - ARTHUR W. HUMMEL, JR.

USUN DELEGATION BRIEFED. I BRIEFED MEMBERS OF THE US DELEGATION TO THE UN ON OUR EAST ASIAN POLICY.

PRC EFFORTS TO PREVENT ROC FROM ATTENDING IMF/IBRD SESSION IN MANILA. LES EDMOND ;AS BEEN IN CLOSE TOUCH WITH THE ACTING VICE PRESIDENT OF THE IBRD'S EAST ASIAN BUREAU CONCERNING THE PRC EFFORTS TO PERSUADE THE PHILIPPINE GOVERNMENT TO DENY ENTRY VISAS TO REPRESENTATIVES OF THE ROC. EDMOND WAS INFORMED THAT BOTH WITTEVEEN AND MCNAMARA HAVE SENT TELEGRAMS TO MANILA REMINDING MARCOS THAT THE IMF AND IBRD ACCEPTED THE MANILA SITE ONLY AFTER THE PHILIPPINES AGREED TO ADMIT ALL COUNTRIES WHICH WERE MEMBERS OF THE INSTITUTIONS. IF THERE WERE A POSSIBILITY
SECRET

PAGE 02 STATE 226566 TOSEC 270048

OF THE AGREEMENT BEING ABROGATED, BOTH WITTEVEEN AND MCNAMARA WISHED TO KNOW PROMPTLY SO THAT THEY COULD IMMEDIATELY CONVENE THEIR EXECUTIVE BOARDS TO DETERMINE WHAT FURTHER ACTION SHOULD BE TAKEN.

THE IBRD REPRESENTATIVE AND EDMOND AGREED TO KEEP EACH OTHER CLOSELY INFORMED AND TO ATTEMPT TO MINIMIZE THE POSSIBILITY OF LEAKS WHICH COULD ONLY MAKE THE PROBLEM MUCH MORE DIFFICULT.

ACTION MESSAGES ON CRITICAL ISSUES: NONE.

H - KEMPTON B. JENKINS, ACTG.

1. CHURCH COMMITTEE HEARS GRUMMAN CHARGE CRP SHAKEDOWN. EX-INTERNATIONAL GRUMMAN PRESIDENT CHEATHAM TESTIFIED BEFORE CHURCH TODAY AND CHARGED THAT FORMER WHITE HOUSE/ NSC STAFFER DICK ALLEN ADVISED HIM THAT A GRUMMAN MILLION DOLLAR CONTRIBUTION TO CRP WOULD ENHANCE THE POSSIBILITY THAT THE ADMINISTRATION WOULD PUSH THE SALE OF A GRUMMAN AIRCRAFT TO THE JAPANESE DURING TANAKA'S VISIT IN 1972. CHEATHAM ALSO SAID THAT MARSHALL GREEN HAD CONFIRMED THAT THE SALE OF THIS GRUMMAN AIRCRAFT WAS PLACED ON THE AGENDA FOR TANAKA'S VISIT TO SAN CLEMENTE.

COMMITTEE STAFF CALLED ME THIS AFTERNOON AND REQUESTED AN INTERVIEW WITH GREEN TO DETERMINE WHETHER THERE HAD BEEN A COMMITMENT MADE BY THE WHITE HOUSE TO RAISE THIS QUESTION WITH TANAKA. THEY ALSO WISH TO REVIEW THE AGENDA FOR THE MEETING AND ANY BRIEFING PAPERS RELEVANT TO THE PROPOSED GRUMMAN SALE.

THE COMMITTEE WILL HOLD A PUBLIC HEARING ON THIS SUBJECT ON SEPTEMBER 24 FOR WHICH THEY MAY OR MAY NOT CALL GREEN TO TESTIFY, DEPENDING ON THE OUTCOME OF THE INTERVIEW.

FROM THE TONE OF OUR CONVERSATION, CHURCH OBVIOUSLY BELIEVES HE IS ON TO ANOTHER SENSATION.

2. ARMS SALES. THE FASCELL SUBCOMMITTEE OF THE HIRC REQUESTED STATE AND DOD WITNESSES FOR A HEARING ON U.S. SECRET

PAGE 03 STATE 226566 TOSEC 270048

ARMS SALES PROPOSALS WORLDWIDE NEXT WEEK. HABIB WILL BE OUR LEAD-OFF WITNESS. THE PACKAGE OF 37 LOAS IS ATTRACTING INCREASING NEGATIVE COMMENT IN BOTH HOUSES NOT SO MUCH FOR THE SPECIFIC CASES AS FOR THE OVERALL POLICY. SIX SENATORS --- NELSON, CLARK, CULVER, BUMPERS, HART, AND PROXMIRE --- SPOKE CRITICALLY ON THE SUBJECT LAST FRIDAY ON THE FLOOR. HEARINGS ON THE F-14 SALE TO IRAN TODAY WITH ALLEGATIONS OF A GRUMMAN SHAKEDOWN WILL DRAMATIZE THE ISSUE. THERE IS A NASCENT MOVEMENT TO PICK A HALF DOZEN CASES FROM AS MANY DIFFERENT COUNTRIES AND DISAPPROVE THEM AS A STATEMENT OF CONCERN BY THE CONGRESS RE THE SIZE OF OUR ARMS TRADE.

3. SFRC VIET NAM REPORT. THE SFRC HAS REVERSED ITSELF AND HAS DECIDED NOT TO DECLASSIFY THE MOOSE/MEISSNER REPORT OF THE FINAL DAYS OF VIETNAM.

4. TURKISH DCA. WE SPENT MUCH OF THE DAY BACK AND FORTH WITH THE SFRC, DOD AND THE NSC SETTING UP THE WEDNESDAY MORNING HEARING ON THE TURKISH DCA. AS OF NOW, THE WITNESSES WILL BE HABIB AND MACOMBER FOR STATE, WITH MCAULIFFE FOR DOD. WE HAVE SUGGESTED THAT ELLSWORTH WOULD HAVE MORE CLOUT AND SCOWCROFT HAS PROMISED TO DISCUSS THIS AGAIN WITH RUMSFELD. THE COMMITTEE HAS AGREED TO OUR SUGGESTION THAT THE OPEN HEARING BE FOLLOWED BY A CLOSED BRIEFING CONDUCTED BY NSA ON THE VALUE OF THE TURKISH DCA.

5. NUCLEAR CONTROL. THE JCAE WILL MARK UP THE PRICE/ ANDERSON DRAFT TOMORROW MORNING. WHILE BETTER THAN ITS PREDECESSORS, THIS BILL IS STILL NOT ACCEPTABLE. TOGETHER WITH ERDA AND OTHER ADMINISTRATION REPS WE HAVE GONE OVER THIS BILL AND DEVELOPED AN AGREED ADMINISTRATION POSITION WHICH ERDA DIRECTOR SEAMANS TODAY SENT TO PASTORE AND ANDERSON. THERE IS SOME REASON TO BELIEVE ANDERSON WILL ACCEPT OUR CHANGES. SO, CHANCES ARE THAT, UNLESS PASTORE STRONGLY OPPOSES THE BILL, THE JCAE WILL REPORT IT OUT TO BOTH HOUSES THIS WEEK. SENATE FLOOR CONSIDERATION IS ALREADY SCHEDULED FOR THURSDAY.

SECRET

PAGE 04 STATE 226566 TOSEC 270048

6. ON TAP. TUESDAY, SEPTEMBER 14,

-- ART HARTMAN WILL TESTIFY BEFORE THE TRADE SUBCOMMITTEE CONCERNING THE ROMANIAN MFN.

-- THE SFRC WILL HEAR THE NOMINATIONS OF KATZ, KRIGLER, JAMES, BYRNE, WELLS, AND PALMER

AND CONSIDER THE NOMINATIONS OF BOSTER AND STOESSEL.

NEA - ATHERTON

1. IN PREPARING FOR OUR TALKS THURSDAY WITH THE ISRAELI DELEGATION HEADED BY EVRON ON AMOCO'S DRILLING RIGHTS IN ITS GULF OF SUEZ CONCESSION AREA, WE ARE MEETING TUESDAY MORNING WITH AMOCO PRESIDENT ADAMS TO GET A CLEAR PICTURE OF AMOCO'S PLANS AND POSITION. THEREAFTER, WE WILL PREPARE A PAPER OUTLINING OUR OBJECTIVES AND STRATEGY IN THE TALKS WITH THE ISRAELIS AS WELL AS THE TALKING POINTS PHIL HABIB WOULD FOLLOW AT THE OPENING

SESSION SCHEDULED FOR 9:30AM, WASHINGTON TIME, THURSDAY, SEPTEMBER 16.

2. IN A MEETING TODAY WITH THE CENTO MILITARY REPRESENTATIVES, WHO ARE PRESENTLY ON THEIR ANNUAL VISIT TO THE UNITED STATES, I TOOK THE OCCASION TO REAFFIRM OUR COMMITMENT TO CENTO, OUR APPRECIATION OF THE WORK OF THE MILITARY COMMITTEE AND OUR DEDICATION TO CONTINUED CLOSE COOPERATION WITH THE CENTO REGIONAL STATES.

3. I PARTICIPATED THIS MORNING IN BRIEFING THE PUBLIC MEMBERS OF THE U. S. DELEGATION TO THIS YEAR'S UNGA ON OUR MIDDLE EAST POLICY.

ACTION MESSAGES ON CRITICAL ISSUES: NONE.

AF - TALCOTT W. SEELYE, ACTING

MEETING WITH PRESIDENT BONGO OF GABON - ON SATURDAY, I WENT
SECRET

PAGE 05 STATE 226566 TOSEC 270048

TO DULLES AIRPORT TO RECEIVE PRESIDENT BONGO, WHO WAS TRANSITING THE U.S. EN ROUTE TO MEXICO CITY. I SPENT AN HOUR CHATTING WITH HIM IN HIS PERSONAL AIRCRAFT AND, AMONG OTHER THINGS, HAD AN OPPORTUNITY TO EXPRESS APPRECIATION FOR GABON'S CONSTRUCTIVE AND MODERATE STANCE AT COLOMBO. HE EXPRESSED SATISFACTION WITH HIS RELATIONS WITH OUR AMBASSADOR IN GABON AND WITH THE QUICK RESPONSES WE HAD GIVEN TO HIS REQUESTS FOR ASSISTANCE. BONGO RETURNS TO NEW YORK LATER THIS MONTH TO SPEND THREE DAYS THERE ON A PRIVATE VISIT.

MEETING WITH PRESIDENT JAWARA OF THE GAMBIA - LATE SUNDAY AFTERNOON I FLEW TO NEW YORK TO MEET PRESIDENT JAWARA OF GAMBIA WHO OVERNIGHTED AT KENNEDY AIRPORT EN ROUTE TO MEXICO CITY. DURING MY CONVERSATION WITH HIM IN HIS SUITE AT THE INTERNATIONAL HOTEL, I EXPRESSED THE HOPE THAT GAMBIA WOULD FOLLOW THROUGH ON EARLIER INDICATIONS THAT IT MIGHT BE PLANNING TO CO-SPONSOR THE FRIENDLY KOREAN RESOLUTION. PRESIDENT JAWARA SAID THAT NO DECISION HAD YET BEEN MADE ON THIS MATTER. AFTER I HAD RAISED WITH HIM OUR CURRENT INITIATIVE IN SOUTH AFRICA, HE WELCOMED YOUR EFFORTS.

BRIEFING OF REPRESENTATIVES TO UNGA - TODAY I BRIEFED THE U.S. REPRESENTATIVES TO THE 31ST UNGA ON SOUTHERN AFRICA. I DREW LIBERALLY FROM YOUR REMARKS AT THE PRESS CONFERENCE ON SATURDAY AND FROM YOUR MOST RECENT SPEECHES ON SOUTHERN AFRICA.

ACTION MESSAGES ON CRITICAL ISSUES: NONE.

EO - JULIUS L. KATZ, ACTING

1. SUGAR IMPORTS. THE ADMINISTRATION IS COMING UNDER INCREASING PRESSURE TO DO SOMETHING ABOUT SUGAR PRICES WHICH HAVE FALLEN FROM ABOUT 15 CENTS IN JULY TO UNDER 9 CENTS. UNDER CONSIDERATION ARE A SERIES OF ESSENTIALLY OPTICAL OPTIONS -- MEASURES WHICH WOULD INDICATE CONCERN, BUT WOULD AVOID THE WORST POLICY DISADVANTAGES. THESE OPTIONS INCLUDE:

SECRET

PAGE 06 STATE 226566 TOSEC 270048

-- TRIPLE THE IMPORT DUTY FROM .6 TO 1.8 CENTS PER POUND. THE IMPACT ON THE DOMESTIC PRICE WOULD BE MINIMAL. THE MAIN BENEFICIARY WOULD BE THE TREASURY.

-- LOWERING THE PRESENT NOMINAL GROUP CUT FROM 7 MILLION TO 5 MILLION TONS (WE CURRENTLY IMPORT LESS THAN 5 MILLION TONS). THE PSYCHOLOGICAL IMPACT OF THIS MEASURE HOWEVER COULD BE TO STIMULATE ADDITIONAL MOVES IN ANTICIPATION OF A FURTHER TIGHTENING OF THE QUOTA.

THE ONLY EFFECTIVE OPTION TO RAISE PRICES, WHICH CURRENTLY ENJOYS NO SUPPORT AMONG ANY AGENCY, IS TO LOWER THE QUOTA SUFFICIENTLY TO AFFECT THE LEVEL OF IMPORTS. THIS HOWEVER WOULD REQUIRE ALLOCATIONS BY COUNTRY, A PROCESS WHICH WOULD BE VERY DIFFICULT TO ACCEPT ON AN EQUITABLE BASIS AND WITHOUT CAUSING SERIOUS STRAIN IN OUR FOREIGN RELATIONS. I AM INCLINED AT THIS TIME TO SUPPORT THE INCREASE IN DUTY ON GROUNDS THAT IT DOES THE LEAST AMOUNT OF HARM. IT IS ALSO THE OPTION WHICH SEEMS TO BE SUPPORTED BY OTHER AGENCIES.

2. CIEC. THE SEPTEMBER CIEC COMMISSION SESSIONS OPEN TODAY IN PARIS AS SCHEDULED. LAST MINUTE DISAGREEMENTS ON THE WORK PROGRAM WERE RESOLVED ON SATURDAY.

3. UK AVIATION RELATIONS. AS A RESULT OF TALKS IN LONDON LAST WEEK AND OUR THREAT TO RETALIATE, THE UK DID AGREE THAT THEY WOULD TAKE NO FURTHER UNILATERAL ACTIONS TO RESTRICT FLIGHTS BETWEEN THE US AND UK. WE ARE STILL SEEKING TO PERSUADE THEM TO WITHDRAW THE REDUCTIONS THEY HAVE INTRODUCED FOR THE WINTER SEASON. WE BELIEVE THAT THERE IS A REASONABLY GOOD CHANCE THAT THEY WILL DO THIS WITH THE UNDERSTANDING THAT THE AIRLINES THEMSELVES WILL INSTITUTE CERTAIN REDUCTIONS.

ACTION MESSAGES ON CRITICAL ISSUES: NONE.

ARA - SHLAUDEMAN

UNGA DELEGATION -- BILL LUERS AND MOREY BELL BRIEFED

OUR DELEGATION TO THE UNGA ON PUERTO RICO AND PANAMA.
SECRET

PAGE 07 STATE 226566 TOSEC 270048

GOVERNOR SCRANTON WANTED TO KNOW WHETHER WE EXPECTED ANY PRESS DURING THE PERIOD OF THE GENERAL ASSEMBLY OVER THE ISSUE OF THE NEW "COMPACT" ON THE COMMONWEALTH STATUS. BILL SAID WE HOPED FOR AND EXPECTED NONE.

VENEZUELA -- I SPOKE IN MIAMI TODAY AT THE KICKOFF LUNCHEON OF A DEPARTMENT OF COMMERCE CAMPAIGN TO INCREASE EXPORTS TO VENEZUELA. THIS WAS THE FIRST OF 15 SUCH AFFAIRS AROUND THE COUNTRY. THE CAMPAIGN IS IN GOOD PART THE RESULT OF MY OWN DISSATISFACTION WHEN IN CARACAS WITH WHAT THE USG HAD TO OFFER IN SUPPORT OF US SALES TO THIS PRIME MARKET.

ACTION MESSAGES ON CRITICAL ISSUES

NONE SENT TODAY.

L - GEORGE H. ALDRICH, ACTING

-- I MET WITH HABIB AND ATHERTON TO DISCUSS THE PROBLEMS OF THE ISRAELI HARASSMENT OF AMOCO SHIPS IN THE GULF OF SUEZ. WE AGREED TO ASK AMOCO TO REVIEW THESE PROBLEMS WITH US TOMORROW IN PREPARATION FOR OUR RECEIVING THE ISRAELI TEAM ON THURSDAY.

-- I RECEIVED THE SWISS MINISTER WHO PRESENTED A NOTE INVITING US TO ATTEND THE FOURTH AND "FINAL" SESSION OF THE DIPLOMATIC CONFERENCE ON THE LAWS OF WAR. THE CONFERENCE WILL RUN FROM MARCH 17 TO JUNE 10, 1977.

-- I RECEIVED THE DEPUTY U.N. HIGH COMMISSIONER FOR REFUGEES (MACE) WHO ASKED MY PERSONAL ASSISTANCE WITH THE PROPOSED CONVENTION ON TERRITORIAL ASYLUM. WHILE RECOGNIZING THE PROBLEMS IT PRESENTS TO US, MR. MACE ASKED THAT WE SEE WHETHER WE COULD DEVISE A FORMULA THAT WOULD ESTABLISH AN ABSOLUTE, OR NEARLY ABSOLUTE, OBLIGATION TO ACCEPT A REFUGEE INTO THE COUNTRY. I PROMISED TO GIVE IT SERIOUS CONSIDERATION BUT NOTED THE DIFFICULTIES AND SAID THAT I WAS DOUBTFUL THAT ANYTHING MORE THAN A "BEST EFFORTS" PROVISION WOULD BE POLITICALLY ACCEPTABLE.

SECRET

PAGE 08 STATE 226566 TOSEC 270048

-- FELDMAN ACCOMPANIED MR. ROBINSON TO A MTG OF THE CABINET COMMITTEE ON QUESTIONABLE FOREIGN PAYMENTS. THE SENATE WILL TAKE UP THE PROXMIRE BILL ON FRIDAY, SEPT 17. SEC RICHARDSON PROPOSES THAT THE ADMINISTRATION NOW SUP-

PORT COMPROMISE LEGISLATION INCLUDING THE PROXIMITY PENAL PROVISIONS AND REASONABLE DISCLOSURE PROCEDURES. AN OPTIONS PAPER IS BEING PREPARED FOR THE PRESIDENT'S DECISION.

-- FELDMAN MET WITH JUSTICE DEPT OFFICIALS TO REVIEW PROCEDURES IN THE POTASH ANTITRUST CASE. CANADA HAS ASKED THAT JUSTICE NOT CONTACT PRESENT OR FORMER GOVT OFFICIALS. JUSTICE IS PREPARED TO FOREGO SUCH INTERVIEWS IF THE OFFICIALS DO NOT GIVE INTERVIEWS TO THE DEFENSE.

-- SCHWEBEL REVISED A DRAFT CABLE TO EMB CARACAS RAISING QUESTIONS FOR ITS ADVICE IN RESPECT OF APPARENTLY SPURIOUS TAX CLAIMS RAISED BY THE VENEZUELAN COMPTROLLER GENERAL WHICH WOULD, IF ENFORCED, GO FAR TO WIPE OUT THE COMPENSATION TO BE PAID THE OIL COMPANIES FOR THE NATIONALIZATION OF THEIR INTERESTS.

ACTION MESSAGES ON CRITICAL ISSUES: NONE

IO . LEWIS

I CHAIRED THE DAY-LONG BRIEFING SESSION FOR OUR UNGA DELEGATION, ATTENDED BY ALL THE PUBLIC MEMBERS (BUT UNFORTUNATELY, NOT BY SENATORS BAKER OR MCGOVERN). DAY INVOLVED WORKING LUNCHEON WITH ROBINSON AND ACTIVE PARTICIPATION BY SCRANTON AND BRIEFINGS BY SEVERAL OF THE REGIONAL ASSISTANT SECRETARIES.

ACTION MESSAGES ON CRITICAL ISSUES: NONE

ROBINSON

SECRET

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